

- 1.1 moves to amend S.F. No. 1249; H.F. No. 1433, as follows:
- 1.2 Page 1, line 21, after "aid" insert "annually on October 1"
- 1.3 Page 2, line 10, delete "180" and insert "90"
- 1.4 Page 2, line 11, after "service" insert "provided to the school district"
- 1.5 Page 3, line 28, delete "6.5" and insert "6.25"
- 1.6 Page 3, after line 28, insert:
- 1.7 "after June 30, 2017 6.5 percent"
- 1.8 Page 4, line 2, delete "10.0" and insert "9.75"
- 1.9 Page 4, after line 2, insert:
- 1.10 "after June 30, 2017 10.0 percent of salary"
- 1.11 Page 4, line 23, before "employer" insert "employee and"
- 1.12 Page 4, line 24, delete "The school district" and insert "Independent School District
- 1.13 No. 625"
- 1.14 Page 4, line 27, after "service" insert "to the school district"
- 1.15 Page 4, line 28, after the period insert "The reemployed annuitant shall make a
- 1.16 contribution to the St. Paul Teachers Retirement Fund Association fund equivalent to the
- 1.17 employee contribution determined under subdivision 1. The reemployed annuitant shall
- 1.18 accrue no service credit and the amounts are not refundable."
- 1.19 Page 4, line 31, reinstate the stricken language
- 1.20 Page 4, line 33, strike "\$2,827,000" and insert "\$9,827,000"
- 1.21 Page 5, line 3, reinstate "~~(b) The~~" and reinstate everything after "state"
- 1.22 Page 5, line 4, reinstate everything before "~~direct~~" and reinstate "~~.-The~~" and before
- 1.23 the period insert "aids specified in this subdivision" and after "~~amount~~" insert "amounts"
- 1.24 Page 5, line 5, reinstate "required" and reinstate everything after "is" and before "
- 1.25 appropriated" insert "are"
- 1.26 Page 5, reinstate line 6
- 1.27 Page 5, delete lines 7 to 22
- 1.28 Page 5, delete lines 24 to 26
- 1.29 Page 6, line 22, after the period insert "The repayment must include interest at the rate
- 1.30 of 0.71 percent per month from the first of the month in which a monthly benefit amount
- 1.31 was paid to the first of the month in which the amount is repaid, with annual compounding."
- 1.32 Page 8, lines 28 and 32, delete "2014" and insert "2015"
- 1.33 Page 9, line 7, delete "2014" and insert "2015"
- 1.34 Page 9, line 12, strike "Actuarial"
- 1.35 Page 10, after line 10, insert:

2.1 "For normal retirement ages between ages 65 and 66, the early retirement factors
 2.2 will be determined by linear interpolation between the early retirement factors applicable
 2.3 for normal retirement ages 65 and 66."

2.4 Page 11, line 9, delete "three" and insert "2.5"

2.5 Page 11, after line 16, insert:

2.6 "Sec. 13. Minnesota Statutes 2012, section 356.215, subdivision 8, is amended to read:

2.7 Subd. 8. **Interest and salary assumptions.** (a) The actuarial valuation must use
 2.8 the applicable following preretirement interest assumption and the applicable following
 2.9 postretirement interest assumption:

2.10 (1) select and ultimate interest rate assumption

| | ultimate preretirement interest rate assumption | ultimate postretirement interest rate assumption |
|--|--|--|
| plan | | |
| general state employees retirement plan | 8.5% | 6.0% |
| correctional state employees retirement plan | 8.5 | 6.0 |
| State Patrol retirement plan | 8.5 | 6.0 |
| legislators retirement plan | 0.0 | -2.0 until June 30, 2040, and -2.5 after June 30, 2040 |
| elective state officers retirement plan | 0.0 | -2.0 until June 30, 2040, and -2.5 after June 30, 2040 |
| judges retirement plan | 8.5 | 6.0 |
| general public employees retirement plan | 8.5 | 6.0 |
| public employees police and fire retirement plan | 8.5 | 6.0 |
| local government correctional service retirement plan | 8.5 | 6.0 |
| teachers retirement plan | 8.5 | 6.0 |
| Duluth teachers retirement plan | 8.5 | 8.5 |
| St. Paul teachers retirement plan | 8.5 | 8.5 |

2.32 Except for the legislators retirement plan and the elective state officers retirement
 2.33 plan, the select preretirement interest rate assumption for the period after June 30, 2012,
 2.34 through June 30, 2017, is 8.0 percent. Except for the legislators retirement plan and the
 2.35 elective state officers retirement plan, the select postretirement interest rate assumption for
 2.36 the period after June 30, 2012, through June 30, 2017, is 5.5 percent, except for the Duluth
 2.37 teachers retirement plan and the St. Paul teachers retirement plan, each with a select
 2.38 postretirement interest rate assumption for the period after June 30, 2012, through June
 2.39 30, 2017, of 8.0 percent.

2.40 (2) single rate preretirement and postretirement interest rate assumption

| | | |
|-----|---|---------------|
| 3.1 | | interest rate |
| 3.2 | plan | assumption |
| 3.3 | Bloomington Fire Department Relief Association | 6.0 |
| 3.4 | local monthly benefit volunteer firefighters relief | 5.0 |
| 3.5 | associations | |

3.6 (b) The actuarial valuation must use the applicable following single rate future salary
 3.7 increase assumption, the applicable following modified single rate future salary increase
 3.8 assumption, or the applicable following graded rate future salary increase assumption:

3.9 (1) single rate future salary increase assumption

| | | |
|------|------------------------------------|-----------------------------------|
| 3.10 | plan | future salary increase assumption |
| 3.11 | legislators retirement plan | 5.0% |
| 3.12 | judges retirement plan | 3.0 |
| 3.13 | Bloomington Fire Department Relief | 4.0 |
| 3.14 | Association | |

3.15 (2) age-related future salary increase age-related select and ultimate future salary
 3.16 increase assumption or graded rate future salary increase assumption

| | | |
|------|---|-----------------------------------|
| 3.17 | plan | future salary increase assumption |
| 3.18 | local government correctional service retirement plan | assumption C |
| 3.19 | Duluth teachers retirement plan | assumption A |
| 3.20 | St. Paul teachers retirement plan | assumption B |

3.21 For plans other than the Duluth teachers
 3.22 retirement plan, the select calculation
 3.23 is: during the designated select period, a
 3.24 designated percentage rate is multiplied by
 3.25 the result of the designated integer minus T,
 3.26 where T is the number of completed years
 3.27 of service, and is added to the applicable
 3.28 future salary increase assumption. The
 3.29 designated select period is ten years and the
 3.30 designated integer is ten for ~~all retirement~~
 3.31 ~~plans covered by this clause~~ the Duluth
 3.32 Teachers Retirement Fund Association
 3.33 and for the local government correctional
 3.34 service retirement plan and 15 for the St.
 3.35 Paul Teachers Retirement Fund Association.
 3.36 The designated percentage rate is ~~0.3~~ 0.2
 3.37 percent for the St. Paul Teachers Retirement

4.1 Fund Association. The select calculation
 4.2 for the Duluth Teachers Retirement Fund
 4.3 Association is 8.00 percent per year for
 4.4 service years one through seven, 7.25 percent
 4.5 per year for service years seven and eight,
 4.6 and 6.50 percent per year for service years
 4.7 eight and nine.

4.8 The ultimate future salary increase assumption is:

| 4.9 age | A | B | C |
|---------|-------------------------------|-------------------------------|-------|
| 4.10 16 | 8.00% <u>6.00%</u> | 6.90% <u>5.90%</u> | 9.00% |
| 4.11 17 | 8.00 <u>6.00</u> | 6.90 <u>5.90</u> | 9.00 |
| 4.12 18 | 8.00 <u>6.00</u> | 6.90 <u>5.90</u> | 9.00 |
| 4.13 19 | 8.00 <u>6.00</u> | 6.90 <u>5.90</u> | 9.00 |
| 4.14 20 | 6.90 <u>6.00</u> | 6.90 <u>5.90</u> | 9.00 |
| 4.15 21 | 6.90 <u>6.00</u> | 6.90 <u>5.90</u> | 8.75 |
| 4.16 22 | 6.90 <u>6.00</u> | 6.90 <u>5.90</u> | 8.50 |
| 4.17 23 | 6.85 <u>6.00</u> | 6.85 <u>5.85</u> | 8.25 |
| 4.18 24 | 6.80 <u>6.00</u> | 6.80 <u>5.80</u> | 8.00 |
| 4.19 25 | 6.75 <u>6.00</u> | 6.75 <u>5.75</u> | 7.75 |
| 4.20 26 | 6.70 <u>6.00</u> | 6.70 <u>5.70</u> | 7.50 |
| 4.21 27 | 6.65 <u>6.00</u> | 6.65 <u>5.65</u> | 7.25 |
| 4.22 28 | 6.60 <u>6.00</u> | 6.60 <u>5.60</u> | 7.00 |
| 4.23 29 | 6.55 <u>6.00</u> | 6.55 <u>5.55</u> | 6.75 |
| 4.24 30 | 6.50 <u>6.00</u> | 6.50 <u>5.50</u> | 6.75 |
| 4.25 31 | 6.45 <u>6.00</u> | 6.45 <u>5.45</u> | 6.50 |
| 4.26 32 | 6.40 <u>6.00</u> | 6.40 <u>5.40</u> | 6.50 |
| 4.27 33 | 6.35 <u>6.00</u> | 6.35 <u>5.35</u> | 6.50 |
| 4.28 34 | 6.30 <u>6.00</u> | 6.30 <u>5.30</u> | 6.25 |
| 4.29 35 | 6.25 <u>6.00</u> | 6.25 <u>5.25</u> | 6.25 |
| 4.30 36 | 6.20 <u>5.86</u> | 6.20 <u>5.20</u> | 6.00 |
| 4.31 37 | 6.15 <u>5.73</u> | 6.15 <u>5.15</u> | 6.00 |
| 4.32 38 | 6.10 <u>5.59</u> | 6.10 <u>5.10</u> | 6.00 |
| 4.33 39 | 6.05 <u>5.45</u> | 6.05 <u>5.05</u> | 5.75 |
| 4.34 40 | 6.00 <u>5.31</u> | 6.00 <u>5.00</u> | 5.75 |
| 4.35 41 | 5.90 <u>5.18</u> | 5.95 <u>4.95</u> | 5.75 |
| 4.36 42 | 5.80 <u>5.04</u> | 5.90 <u>4.90</u> | 5.50 |
| 4.37 43 | 5.70 <u>4.90</u> | 5.85 <u>4.85</u> | 5.25 |
| 4.38 44 | 5.60 <u>4.76</u> | 5.80 <u>4.80</u> | 5.25 |
| 4.39 45 | 5.50 <u>4.63</u> | 5.75 <u>4.75</u> | 5.00 |
| 4.40 46 | 5.40 <u>4.49</u> | 5.70 <u>4.70</u> | 5.00 |
| 4.41 47 | 5.30 <u>4.35</u> | 5.65 <u>4.65</u> | 5.00 |
| 4.42 48 | 5.20 <u>4.21</u> | 5.60 <u>4.60</u> | 5.00 |

| | | | | |
|------|----|-----------------------------|-----------------------------|------|
| 5.1 | 49 | 5.10 <u>4.08</u> | 5.55 <u>4.55</u> | 5.00 |
| 5.2 | 50 | 5.00 <u>3.94</u> | 5.50 <u>4.50</u> | 5.00 |
| 5.3 | 51 | 4.90 <u>3.80</u> | 5.45 <u>4.45</u> | 5.00 |
| 5.4 | 52 | 4.80 <u>3.66</u> | 5.40 <u>4.40</u> | 5.00 |
| 5.5 | 53 | 4.70 <u>3.53</u> | 5.35 <u>4.35</u> | 5.00 |
| 5.6 | 54 | 4.60 <u>3.39</u> | 5.30 <u>4.30</u> | 5.00 |
| 5.7 | 55 | 4.50 <u>3.25</u> | 5.25 <u>4.25</u> | 4.75 |
| 5.8 | 56 | 4.40 <u>3.25</u> | 5.20 <u>4.20</u> | 4.75 |
| 5.9 | 57 | 4.30 <u>3.25</u> | 5.15 <u>4.15</u> | 4.50 |
| 5.10 | 58 | 4.20 <u>3.25</u> | 5.10 <u>4.10</u> | 4.25 |
| 5.11 | 59 | 4.10 <u>3.25</u> | 5.05 <u>4.05</u> | 4.25 |
| 5.12 | 60 | 4.00 <u>3.25</u> | 5.00 <u>4.00</u> | 4.25 |
| 5.13 | 61 | 3.90 <u>3.25</u> | 5.00 <u>4.00</u> | 4.25 |
| 5.14 | 62 | 3.80 <u>3.25</u> | 5.00 <u>4.00</u> | 4.25 |
| 5.15 | 63 | 3.70 <u>3.25</u> | 5.00 <u>4.00</u> | 4.25 |
| 5.16 | 64 | 3.60 <u>3.25</u> | 5.00 <u>4.00</u> | 4.25 |
| 5.17 | 65 | 3.50 <u>3.25</u> | 5.00 <u>4.00</u> | 4.00 |
| 5.18 | 66 | 3.50 <u>3.25</u> | 5.00 <u>4.00</u> | 4.00 |
| 5.19 | 67 | 3.50 <u>3.25</u> | 5.00 <u>4.00</u> | 4.00 |
| 5.20 | 68 | 3.50 <u>3.25</u> | 5.00 <u>4.00</u> | 4.00 |
| 5.21 | 69 | 3.50 <u>3.25</u> | 5.00 <u>4.00</u> | 4.00 |
| 5.22 | 70 | 3.50 <u>3.25</u> | 5.00 <u>4.00</u> | 4.00 |

5.23 (3) service-related ultimate future salary increase assumption

| | | |
|------|---|--------------|
| 5.24 | general state employees retirement plan of the | assumption A |
| 5.25 | Minnesota State Retirement System | |
| 5.26 | general employees retirement plan of the Public | assumption B |
| 5.27 | Employees Retirement Association | |
| 5.28 | Teachers Retirement Association | assumption C |
| 5.29 | public employees police and fire retirement plan | assumption D |
| 5.30 | State Patrol retirement plan | assumption E |
| 5.31 | correctional state employees retirement plan of the | assumption F |
| 5.32 | Minnesota State Retirement System | |

| | | | | | | | |
|------|---------|--------|--------|--------|--------|-------|-------|
| 5.33 | service | | | | | | |
| 5.34 | length | A | B | C | D | E | F |
| 5.35 | 1 | 10.50% | 12.03% | 12.00% | 13.00% | 8.00% | 6.00% |
| 5.36 | 2 | 8.10 | 8.90 | 9.00 | 11.00 | 7.50 | 5.85 |
| 5.37 | 3 | 6.90 | 7.46 | 8.00 | 9.00 | 7.00 | 5.70 |
| 5.38 | 4 | 6.20 | 6.58 | 7.50 | 8.00 | 6.75 | 5.55 |
| 5.39 | 5 | 5.70 | 5.97 | 7.25 | 6.50 | 6.50 | 5.40 |
| 5.40 | 6 | 5.30 | 5.52 | 7.00 | 6.10 | 6.25 | 5.25 |
| 5.41 | 7 | 5.00 | 5.16 | 6.85 | 5.80 | 6.00 | 5.10 |
| 5.42 | 8 | 4.70 | 4.87 | 6.70 | 5.60 | 5.85 | 4.95 |
| 5.43 | 9 | 4.50 | 4.63 | 6.55 | 5.40 | 5.70 | 4.80 |

| | | | | | | | |
|------|-------|------|------|------|------|------|------|
| 6.1 | 10 | 4.40 | 4.42 | 6.40 | 5.30 | 5.55 | 4.65 |
| 6.2 | 11 | 4.20 | 4.24 | 6.25 | 5.20 | 5.40 | 4.55 |
| 6.3 | 12 | 4.10 | 4.08 | 6.00 | 5.10 | 5.25 | 4.45 |
| 6.4 | 13 | 4.00 | 3.94 | 5.75 | 5.00 | 5.10 | 4.35 |
| 6.5 | 14 | 3.80 | 3.82 | 5.50 | 4.90 | 4.95 | 4.25 |
| 6.6 | 15 | 3.70 | 3.70 | 5.25 | 4.80 | 4.80 | 4.15 |
| 6.7 | 16 | 3.60 | 3.60 | 5.00 | 4.80 | 4.65 | 4.05 |
| 6.8 | 17 | 3.50 | 3.51 | 4.75 | 4.80 | 4.50 | 3.95 |
| 6.9 | 18 | 3.50 | 3.50 | 4.50 | 4.80 | 4.35 | 3.85 |
| 6.10 | 19 | 3.50 | 3.50 | 4.25 | 4.80 | 4.20 | 3.75 |
| 6.11 | 20 | 3.50 | 3.50 | 4.00 | 4.80 | 4.05 | 3.75 |
| 6.12 | 21 | 3.50 | 3.50 | 3.90 | 4.70 | 4.00 | 3.75 |
| 6.13 | 22 | 3.50 | 3.50 | 3.80 | 4.60 | 4.00 | 3.75 |
| 6.14 | 23 | 3.50 | 3.50 | 3.70 | 4.50 | 4.00 | 3.75 |
| 6.15 | 24 | 3.50 | 3.50 | 3.60 | 4.50 | 4.00 | 3.75 |
| 6.16 | 25 | 3.50 | 3.50 | 3.50 | 4.50 | 4.00 | 3.75 |
| 6.17 | 26 | 3.50 | 3.50 | 3.50 | 4.50 | 4.00 | 3.75 |
| 6.18 | 27 | 3.50 | 3.50 | 3.50 | 4.50 | 4.00 | 3.75 |
| 6.19 | 28 | 3.50 | 3.50 | 3.50 | 4.50 | 4.00 | 3.75 |
| 6.20 | 29 | 3.50 | 3.50 | 3.50 | 4.50 | 4.00 | 3.75 |
| 6.21 | 30 or | 3.50 | 3.50 | 3.50 | 4.50 | 4.00 | 3.75 |
| 6.22 | more | | | | | | |

6.23 (c) The actuarial valuation must use the applicable following payroll growth
6.24 assumption for calculating the amortization requirement for the unfunded actuarial
6.25 accrued liability where the amortization retirement is calculated as a level percentage
6.26 of an increasing payroll:

| 6.27 | plan | payroll growth assumption |
|------|---|-----------------------------|
| 6.28 | general state employees retirement plan of the | 3.75% |
| 6.29 | Minnesota State Retirement System | |
| 6.30 | correctional state employees retirement plan | 3.75 |
| 6.31 | State Patrol retirement plan | 3.75 |
| 6.32 | judges retirement plan | 3.00 |
| 6.33 | general employees retirement plan of the Public | 3.75 |
| 6.34 | Employees Retirement Association | |
| 6.35 | public employees police and fire retirement plan | 3.75 |
| 6.36 | local government correctional service retirement plan | 3.75 |
| 6.37 | teachers retirement plan | 3.75 |
| 6.38 | Duluth teachers retirement plan | 4.50 <u>3.50</u> |
| 6.39 | St. Paul teachers retirement plan | 5.00 <u>4.00</u> |

6.40 (d) The assumptions set forth in paragraphs (b) and (c) continue to apply, unless a
6.41 different salary assumption or a different payroll increase assumption:

6.42 (1) has been proposed by the governing board of the applicable retirement plan;

7.1 (2) is accompanied by the concurring recommendation of the actuary retained under
7.2 section 356.214, subdivision 1, if applicable, or by the approved actuary preparing the
7.3 most recent actuarial valuation report if section 356.214 does not apply; and
7.4 (3) has been approved or deemed approved under subdivision 18.

7.5 **EFFECTIVE DATE.** This section is effective the day following final enactment."

7.6 Renumber the sections in sequence

7.7 Delete the title and insert:

7.8 "A bill for an act
7.9 relating to retirement; St. Paul Teachers Retirement Fund Association;
7.10 increasing state aid by \$7,000,000 annually; increasing employee and employer
7.11 contributions; requiring employee and employer contributions for reemployed
7.12 annuitants; requiring a 90-day separation to qualify for a retirement annuity;
7.13 requiring forfeiture of reemployed annuitant accounts by post-June 30, 2013,
7.14 retirees; increasing accrual rates on post-June 30, 2015, service; revising early
7.15 retirement factors; moving the Teachers Retirement Association aid authorization
7.16 to a new section; correcting certain salary and payroll growth assumptions;
7.17 appropriating money; amending Minnesota Statutes 2012, sections 354A.011,
7.18 subdivision 21; 354A.12, subdivisions 1, 2a, 3a, 3c, 7, by adding a subdivision;
7.19 354A.31, subdivisions 3, 4, 7; 354A.35, subdivision 2; 356.215, subdivision 8;
7.20 356.47, subdivision 1; 423A.02, subdivision 5; proposing coding for new law
7.21 in Minnesota Statutes, chapter 354."